

Message Text

CONFIDENTIAL

PAGE 01 MILAN 01892 01 OF 02 301941Z

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07

L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 TRSE-00 /059 W

-----011376 302013Z /47

R 301340Z NOV 77

FM AMCONSUL MILAN

TO AMEMBASSY ROME

INFO SECSTATE WASHDC 5724

SETAF VICENZA

C O N F I D E N T I A L SECTION 1 OF 2 MILAN 1892

EO 11652: GDS

TAGS: IT PINT

SUBJECT: THE PSI PLAYS HAMLET IN MILAN

1. SUMMARY. NEAR CRISES IN LOMBARDY REGIONAL AND MILAN CITY EXECUTIVES (GIUNTAS) HAVE EXPOSED SPLIT IN SOCIALIST PARTY OVER RELATIONS WITH PCI, SHOWN THAT PCI REMAINS COHESIVE AND DISCIPLINED PARTY, AND REVEALED WHAT LOOKS SUSPICIOUSLY LIKE DC RESIGNATION TO HAVING TO ADMIT COMMUNISTS TO BOTH LOCAL AND CENTRAL GOVERNMENTS SOONER OR LATER. END SUMMARY.

2. THE PROTAGONISTS: CLOSE CALLS FOR BOTH REGIONAL AND CITY GIUNTAS HERE HAVE DEVELOPED - AND AT LEAST TEMPORARILY ABATED - OVER LAST SEVERAL WEEKS. BOTH WERE PROVOKED BY SOCIALISTS BUT THERE SIMILARITY ENDS. REGIONAL SCUFFLE WAS STARTED BY PSI'S LEFT WING WITH AIM OF TAKING STEP IN DIRECTION OF EVENTUAL LEFTIST ADMINISTRATION AND RESULTED IN PROTAGONISTS' BEING CAST OUT IN COLD. CITY COLLISION OCCURRED BECAUSE PSI RIGHT WING WANTED TO ASSERT INDEPENDENCE OF COMMUNISTS AND MOVE IN DC'S DIRECTION, FOR WHICH PROTAGONISTS MET EQUALLY IGNO-MINIOUS END.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MILAN 01892 01 OF 02 301941Z

3. THIN THREAD TYING BOTH SITUATIONS TOGETHER IS THAT NEITHER AUGURS WELL FOR SOCIALIST PARTY. THIS AND OTHER LESSONS EMERGE FROM OBSERVERS' READINGS OF BATTLES THAT HAVE NOW ENDED IN UNEASY TRUCES.

4. SCENE ONE: THE REGION.
TO TAKE LESS EXPLOSIVE SITUATION FIRST, LOMBARDY

REGIONAL ADMINISTRATION SET-UP WAS CALLED INTO QUESTION BY PSI REGIONAL SECRETARY GABRIELE BACCALINI, WHO PROPOSED THAT PRESENT PCI-SUPPORTED AGREEMENT ON LEGISLATIVE PROGRAM BE EXPANDED TO PUT PCI FORMALLY IN "EMERGENCY" MAJORITY (BUT NOT IN CABINET). BACCALINI FOR HIS PAINS FOUND HIMSELF BADLY OUT-VOTED AND WAS FORCED TO RESIGN. HIS OPPONENTS CALLED HIM MANCA'S MAN IN MILAN, PCI TROJAN HORSE, AND HARBINGER OF HISTORIC COMPROMISE, WITH CRAXI PEOPLE PROTESTING MOREOVER THAT THERE WAS NO REASON FOR SOCIALISTS TO TAKE INITIATIVE IN GIVING PCI SOMETHING FOR WHICH IT HADN'T ASKED. LEFTIST FACTION PROPOSED INSTEAD NEW PSI-PCI GIUNTA, SO-CALLED ALTERNATIVA. THAT BEING UNREALIZABLE DUE TO PCI REFUSAL, OPEN GIUNTA HAS SUFFERED NO CHANGE AT ALL, AT LEAST FOR TIME BEING.

5. WHAT HAS HAPPENED AT REGION IS THAT CRAXI MAJORITY WITH ITS LEFTIST AND ANIASI ALLIES--ALL FED UP WITH COMMUNISTS--HAVE BEEN CAUGHT BY BACCALINI BETWEEN THEIR RHETORIC AND THEIR REAL DESIRES. AS BACCALINI NOTED TO US BITTERLY, HE AND HIS SUPPORTERS HAD DONE NOTHING BUT PROPOSE SMALL, MEASURED STEP TOWARD EVENTUAL GOVERNMENT OF LEFT, PSI'S OFFICIAL STRATEGY. THAT WAS ABSOLUTELY NECESSARY, HE SAID, IF REGIONAL GOVERNMENT WAS TO EXTRICATE ITSELF FROM INTERMINABLE ROUND OF CONSULTATIONS THAT PRESENT ASYMMETRICAL SITUATION REQUIRED AND WIPE OUT LEGISLATIVE BACKLOG. TRUTH WAS, SAID
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MILAN 01892 01 OF 02 301941Z

BACCALINI, THAT CRAXI PEOPLE WERE BENT ON MOVING BACKWARDS TOWARD DC. IT WAS NO GOOD FOR CRAXI'S NEW ALLIES ON LOMBARDY PSI LEFT TO PROPOSE INSTEAD NEW PCI-PSI COALITION (ALTERNATIVA), SINCE EVERYONE KNEW THAT TO BE UNWORKABLE GIVEN PCI REFUSAL TO CONSIDER IT.

6. MILAN PCI CITY SECRETARY AUGUSTEO CASTAGNA MADE SOME POINT TO US. WHO WERE THE SOCIALISTS KIDDING? THEY HAD SUGGESTED ALTERNATIVA KNOWING IT WAS OUT OF QUESTION AND OUT OF DESIRE TO KEEP PCI FROM ADVANCING.

7. PCI, CONTINUED CASTAGNA, WAS ALSO DISSATISFIED WITH OPEN GIUNTA, BUT NOT PRIMARILY FOR IDEOLOGICAL REASONS. PARTY WAS TIRED OF BEING ASSOCIATED WITH GOVERNMENT THE RESULTS OF WHOSE WORK IT COULD NOT FOLLOW TO FRUITION. IF PCI WAS TO LEND ITS NAME TO LEGISLATION, IT SHOULD BE PART OF GIUNTA THAT EXECUTED IT. NOT THAT COMMUNISTS WANTED TO HURRY THINGS. BUT IT WAS FRUSTRATING TO HELP FRAME LAWS ONLY TO BEAR PART OF BLAME FOR THEIR NOT BEING PROPERLY CARRIED OUT.

8. DESPITE PCI DISCOMFORT, MOVE TO PUT PARTY IN REGIONAL MAJORITY APPEARS TO HAVE DIED OUT FOR NOW, IMPRESSION CONFIRMED TO US BY DC REGIONAL PRESIDENT GOLFARI. BUT BRIEF FLURRY THAT MOVE EXCITED SHOWED THAT PRO-CRAXI ANTI-MANCA FORCES ARE LARGE MAJORITY (MORE THAN TEN TO ONE). WITHIN LOMBARDY PSI, BODING WELL FOR CRAXI AT FORTHCOMING NATIONAL CONGRESS; THAT EXPRESSED STRATEGY OF PARTY UNDER CRAXI IS FAR OUT OF LINE WITH WAY PARTY OPERATES IN REAL WORLD, AND THAT PCI IS UNDER NO ILLUSIONS AS TO AUTHENTICITY OF SOCIALIST MAJORITY PROTESTATIONS OF LOYALTY TOWARD LEFTIST SOLIDARITY.

9. SCENE TWO: THE CITY:
MILAN CITY IMPROGLIO THAT BROUGHT ITALY'S PERHAPS
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 MILAN 01892 01 OF 02 301941Z

MOST IMPORTANT LEFTIST GIUNTA TO BRINK OF COLLAPSE IS EVEN MORE FRAUGHT WITH LESSONS. POT CAME TO BOILING POINT WITH SOCIALIST ATTACKS ON FORMER LIBERAL AMMAN, HEAD OF MUNICIPAL AGENCY IN CHARGE OF TRANSPORT INCLUDING TRAMS AND METRO (ATM). IN SERIES OF CLASSIC POLITICAL ATTACKS, PSI OVER NUMBER OF WEEKS ACCUSED AMMAN OF VARIETY OF WRONGDOING INCLUDING IMPROPER LETTING OF CONTRACTS BUT CENTERING ON HIS ALLEGEDLY OVERLY CLOSE RELATIONSHIP WITH COMMUNISTS AND HIS FAILURE TO CONSULT SUFFICIENTLY WITH SOCIALISTS. OUR IMPRESSION IS THAT ATTACKS ON AMMAN, WHOM SOCIALISTS THEMSELVES NOMINATED FOR JOB, WERE SHORT ON SUBSTANCE AND WOULD NOT HAVE OCCURRED BUT FOR PSI FRUSTRATION WITH OVERALL GIUNTA RELATIONSIP AND PERHAPS LOSS OF PATRONAGE.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 MILAN 01892 02 OF 02 301805Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 TRSE-00 /059 W
-----010709 302011Z /47
R 301340Z NOV 77

FM AMCONSUL MILAN
TO AMEMBASSY ROME
INFO SECSTATE WASHDC 5725
SETAF VICENZA

C O N F I D E N T I A L SECTION 2 OF 2 MILAN 1892

10. AT ANY RATE, MILAN PSI INITALLY SANK TEETH INTO AMMAN ISSUE WITH VENGEANCE. SOME WEEKS AGO PSI PROVINCIAL SECRETARY ABBONDANZA TOLD US THAT PSI FELT SO STRONGLY ABOUT AMMAN CASE THAT MAYOR TOGNOLI WAS READY TO RESIGN WERE IT NOT SETTLED SATISFACTORILY. MORE RECENTLY, ABBONDANZA SAID HE LATER COUNSELED TOGNOLI TO KEEP HIMSELF ABOVE THE FRAY BUT EMPHASIZED THAT PARTY MEANT BUSINESS AND THAT, IF AMMAN DIDN'T RESIGN, PSI INTENDED TO STAND WITH DC, PSDI AND PART OF PRI IN VOTING AGAINST HIM IN CITY COUNCIL. IF COMMUNISTS WANTED TO CALL THAT A CRISIS, SO BE IT.

11. MEANWHILE, COMMUNISTS THEMSELVES WERE JUST AS ADAMANT. MILAN CITY SECRETARY CASTAGNA INSISTED TO US THAT AMMAN HAD DONE NOTHING WRONG AND PCI WOULD NOT ABANDON HIM. NOR COULD PCI REGARD DIVERGENT VOTE ON SUCH IMPORTANT ISSUE AS INCONSEQUENTIAL IN ITS IMPLICATIONS FOR PCI-PSI RELATIONSHIP. BUT IF SOCIALISTS WANTED TO GO BACK TO DC, LET THEM DO SO. COMMUNISTS WOULD BE CONTENT TO RE-OCCUPY THEIR OLD SEATS IN OPPOSITION.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MILAN 01892 02 OF 02 301805Z

12. DC, BEHIND SCENES, WAS DOING ITS BEST TO ENCOURAGE SOCIALISTS TO PROVOKE CRISIS, ACCORDING TO DC CITY SECRETARY GAROCCHIO.

13. WHAT HAPPENED? AT ELEVENTH HOUR, ON WEEKEND BEFORE SCHEDULED VOTE ON AMMAN, MILAN SOCIALISTS AND COMMUNISTS MET AND RECONCILED THEIR DIFFERENCES. THIS OCCURRED AFTER QUICK VISIT TO MILAN BY CRAXI. PSI STATED IT WOULD DISSOCIATE ITSELF FROM AMMAN-RUN ATM BUT OTHERWISE CONCURRED WITH PCI THAT LEFTIST UNITY MUST BE PRESERVED DURING THESE DIFFICULT TIMES, ET CETERA. PSI HAD CAVED IN AND AFTER FULL CONSULTATIONS WITH CRAXI HIMSELF.

14. IMPLICATIONS OF SOCIALIST ABOUT-FACE NOT PLEASANT TO CONTEMPLATE. DC CITY SECRETARY GAROCCHIO REVIEWED THEM FOR US. COMPLAINING THAT DC COULD FIND NO ONE TO DEAL WITH AMONG BICKERING PSI FACTIONS,

HE CONCLUDED THAT PSI SIMPLY LACKED STRENGTH TO STAND UP TO COMMUNISTS. THEY WERE PCI PRISONERS AND THERE WAS LITTLE USE IN DC TRYING FURTHER TO DEAL WITH THEM. GAROCCHIO'S READING WAS THAT MORO, ZACCAGNINI, AND NOW EVEN FANFANI HAD REACHED SAME CONCLUSION ON NATIONAL LEVEL. ONLY PARTY LEFT FOR DC TO DO BUSINESS WITH, SAID GAROCCHIO SADLY, WAS PCI. THAT WOULD BE ACCEPTABLE IF BERLINGUER OR CARILLO WERE IN CHARGE. BUT REAL POWER IN PCI LAY ELSEWHERE.

15. VERDICT OF THE CRITICS.
OVERALL LESSONS FROM REGIONAL AND CITY
TEMPESTS HERE AS DRAWN BY LOCAL POLITICOS ARE SEVERAL.

A. CRAXI'S POSITION WITHIN SOCIALIST PARTY IS
STRENGTHENED SOMEWHAT BY OUSTER OF MANCA SUPPORTER
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MILAN 01892 02 OF 02 301805Z

BACCALINI. CRAXI AND HIS AUTONOMISTS ARE NOW ALLIED WITH SIGNORILE LEFTISTS AND ANIASI GROUP AGAINST MANCA FACTION. THIS GIVES CRAXI, ACCORDING TO MILAN PSI SECRETARY ABBONDANZA, ABOUT 70 PERCENT OF PSI VOTE NATIONWIDE AS CONGRESS APPROACHES.

B. NO MATTER HOW CRAXI DOES, PSI REMAINS MESS. GOLFARI, WHO WANTS AND NEEDS PSI SUPPORT, CLAIMS CRISIS IS MUCH WORSE THAN IT APPEARS ON SURFACE. PARTY, FINANCIALLY ON THE ROPES, IS BURDENED WITH AT LEAST FOUR DISCERNABLE AND DIVERGENT INTERNAL FACTIONS AND AN EXPRESSED NATIONAL STRATEGY (LEFTIST SOLIDARITY) COMPLETELY AT VARIANCE WITH PSI SECRETARY'S ANTI-COMMUNIST LEANINGS. AND THIS REFLECTS PROFOUND SPLIT BETWEEN LEADERSHIP AND PARTY'S RANK AND FILE. FINALLY, INSTRUCTIVE TO NOTE THAT PSI'S DUAL FAILURES-AT REGION AND CITY LEVELS- WERE FAILURES OF TWO SEPARATE BLOCS WITHIN PARTY TRYING SIMULTANEOUSLY TO PULL OFF OPERATIONS INSPIRED BY ABSOLUTELY CONTRADICTORY STRATEGIES. AT THE REGIONAL LEVEL, TO DRAW CLOSER TO THE PCI. AT THE CITY LEVEL, TO MOVE FARTHER FROM THE PCI.

C. PCI IS TOUGH AND SELF-DISCIPLINED AS EVER.
AT REGIONAL LEVEL, PARTY INSISTS ON ITS BEING FINALLY INCLUDED IN MAJORITY BUT WITHOUT BECOMING STRIDENT ABOUT MATTER. AT CITY, PARTY TOOK PSI ATTACKS ON CHIN FOR WEEKS, REPLYING PUBLICLY ONLY IN RESTRAINED MANNER, BUT HELD ABSOLUTELY FIRM ON SUBSTANCE.

D. AS (B) AND (C) ILLUSTRATE, PSI IS IN POOR POSITION TO ACT REALLY INDEPENDENTLY OF COMMUNISTS WITHIN LEFTIST ADMINISTRATIONS, LET ALONE SWITCH TO DC. EVEN DC ADVOCATES OF LATTER OPERATION PUT IT OFF ANOTHER YEAR OR MORE AND BELIEVE THAT BARGAIN WOULD HAVE TO INCLUDE

ACCEPTANCE OF PCI AS A PART OF THE MAJORITY IF NOT IN THE GIUNTA.

E. CHANCES HAVE INCREASED THAT DC, COGNIZANT OF PSI WEAKNESS, WILL
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 MILAN 01892 02 OF 02 301805Z

LOOK
TO PCI AS ONLY POSSIBLE COALITION PARTNER. RECENT
REMARKS OF MORO IN BENEVENTO AND FANFANI IN MILAN ARE INDICATIONS
THAT THIS IS ALREADY HAPPENING.

16. THE MORAL. PSI CONTINUES IN THIS PART OF ITALY TO
DETERIORATE WHILE COMMUNISTS SHOW NO SIGN OF FLAGGING AND
SERIOUS PROBLEMS OF LOCAL GOVERNMENT GO BEGGING BECAUSE
OF OVERLY WEAK ADMINISTRATIONS. THESE LOCAL GOVERNMENT
PROBLEMS ARE ADDITIVE TO THOSE OF CONTINUED DEFLATIONARY IMPACT AND
ESCALATED VIOLENCE THAT PERMEATE ALL POLITICAL ACTION HERE.
IN THIS MILIEU, UNEXPECTED TEST OF PCI-PSI RELATIONS HERE HAS
PROVIDED YET ANOTHER ARGUMENT FOR DC-PCI ACCOMMODATION.
FINA

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PARTY SCHISMS
Control Number: n/a
Copy: SINGLE
Sent Date: 30-Nov-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MILAN01892
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770444-0368
Format: TEL
From: MILAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977114/aaaaacue.tel
Line Count: 301
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 71a93816-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 25-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 522622
Secure: OPEN
Status: NATIVE
Subject: THE PSI PLAYS HAMLET IN MILAN
TAGS: PINT, IT, PCI, PSI
To: ROME
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/71a93816-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009